

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED

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SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[]		
2	7D16 HQ	9 July 68	[M]
3			
4			
5	DO NOT DETACH THIS ROUTING SLIP		
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks: Per our telephone conversation, I have talked to [] concerning his comments on the attached routing sheet. He now has a copy of the project retirement plan for review, and after a quick first glance feels it probably will be okay but wants to study it more closely. There also is some question about whether or not a casualty annex is needed for project AERODYNAMIC personnel. At any rate, [] said this can be taken up separately and it does not warrant holding up the admin plan at this time. Therefore, I am returning it to you for coordination.

ads

DO NOT DETACH THIS ROUTING SLIP

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

SB/CA [] x6508, room 5B4804)

8 July 68

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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[]		
2	5B-29 Nsg.		
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4			
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ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks: Hel. You will note from attached comments of [] I sent him the plan because of the retirement proposal. Will you please have someone clear this point with Ben.

v6025

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

JIA/DRS 7D-16

9 July 68

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DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCE METHODS EXEMPTION 3828
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2007

SENDER		L CHECK CLASSIFICATION TOP AND BOT		M	
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OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
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	ACTION	DIRECT REPLY	PREPARE REPLY		
	APPROVAL	DISPATCH	RECOMMENDATION		
	COMMENT	FILE	RETURN		
	CONCURRENCE	INFORMATION	SIGNATURE		
Remarks:					
I appreciate the chance to review this. I have also had it reviewed by L J. * 7844					
On the retirement plan referred to in the Admin Plan, I would like (we do not seem to have any record of either having reviewed the retirement plan or a copy of it) a chance to review the specific details to ensure that it currently suits the needs of the project.					
The only other thought I have is that a casualty annex as required by HR 20-49 should be prepared as an attachment to this Admin Plan.					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
DD/Pers/SP 5E47 HQ					JM 1958
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SENDER		CHECK CLASSIFICATION TOP AND BOT		M	
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OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
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	ACTION	DIRECT REPLY	PREPARE REPLY		
	APPROVAL	DISPATCH	RECOMMENDATION		
	COMMENT	FILE	RETURN		
	CONCURRENCE	INFORMATION	SIGNATURE		
Remarks:					
Ben: Would appreciate your confirmation of statement on personnel approval of retirement plan, as is noted in Para II 3j of Plan.					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
8810/DDS 7D-16					27 June 68
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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: SB/CA <i>L</i>	EXTENSION: 6508	NO.
		DATE: 27 May 29 March 1968

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. SB/CAO			<i>RP</i>	
2. SB/B&F			<i>RP</i>	
3. SB/SS			<i>✓</i>	
4. <i>for</i> C/SB <i>x5 453</i>			<i>RP</i>	
5. Office of Finance		<i>5/14/68</i>	<i>MP</i>	
6.				
7. Office of Security Investigations Support		<i>5/14/68</i>	<i>RP</i>	
8.				
9. C/Funding Branch Central Cover Staff GH-44		<i>5/27/68</i>	<i>RP</i>	
10. Office of General Counsel 7D07		<i>5/31/68</i>	<i>RP</i>	
11.				
12. Office of Logistics <i>Rm 1227, Ames</i>		<i>5 JUN 1968</i>	<i>GEM</i> <i>B</i>	
13. DDP/MPS/CA		<i>7 JUN 1968</i>	<i>18 June</i> <i>SB</i>	
14. SB/CA (for covering letter)		<i>12 June</i>	<i>add</i> <i>RP</i>	
15. Chief Chief, SB Div.		<i>9 June 68</i>	<i>RP</i>	
16. SSA DD/S <i>DDP-MPS</i>		<i>9 June 68</i>	<i>RP</i>	

PLEASE EXPEDITE

06C68-0926

SEE PROVIDED ON SIGNATURE PAGE.

RP
15 JUN 1968

JL 3 3809

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OSD/DDS 68-1088

24 JUN 1958

MEMORANDUM FOR: Deputy Director for Plans
THROUGH : Special Support Assistant/DDS
SUBJECT : Fourth Revised Administrative Plan for
SB Division CA Project AERODYNAMIC

I. Project Objective

1. The objectives of this project are to exploit contacts with Soviet citizens for the purpose of encouraging existing national and intellectual unrest in the Soviet Union, with the aim of exerting pressure on the Soviet regime and attaining national, cultural and intellectual freedom for Soviet citizens.

II. Instrumentality

2. The instrumentality of this project is AETENURE (formerly AEBEEHIVE) a WOLADY-based emigre political group organized as a commercial taxable enterprise, and a corresponding group in Europe (AETERRACE).

III. Need for this Revision

3. To comply with the Katzenbach guidelines, SB Division was instructed to liquidate AEBEEHIVE, the non-profit tax-exempt membership corporation used as the cover instrumentality under Project AERODYNAMIC since 1952, and to

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Excluded from automatic
downgrading and
declassification

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06C68-0926

FOURTH REVISED ADMINISTRATIVE PLAN
FOR SB DIVISION CA PROJECT AERODYNAMIC

I. Terms of the Plan

1. The provisions of this Administrative Plan apply to the activities of AETENURE, an Agency-controlled mechanism within subsidy Project AERODYNAMIC and AETERRACE, the subsidized European office of AETENURE.

II. Organization and Management of Cover Corporation

2. AETENURE has been incorporated under the laws of New York as a commercial taxable enterprise for the (ostensible) purpose of research and study of international Communism as specified in the Certificate of Incorporation.

3. Basic policy guidance and direction of AETENURE activities is provided by WOFIRM through the project case officer in meetings with the President of AETENURE or with other officers, as appropriate. For cover purposes the Board of Directors has responsibility for conduct of AETENURE activities in accordance with its charter and by-laws, and subject to the following limitations and requirements:

a. Amendments to the charter and by-laws will require the prior approval of the SB Division and the concurrence of General Counsel.

b. AETENURE will not perform services for fees nor solicit for funds, ~~without the approval of SB Division and the concurrence of the Central Cover Staff.~~

c. All officers and directors shall be approved by SB Division. In addition, the treasurer shall be approved by the Office of Finance.

d. All funds received by AETENURE shall be deposited in an AETENURE WOLADY bank account. Withdrawal from this account shall require the signature of two of the officers of AETENURE,

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except that withdrawals of \$500 or less shall need only one signature. The SB Division shall advise the Office of Finance, upon request, of the name and address of the bank in which the AETENURE account is carried, the title of the account and the authorized signatories thereon. All AETENURE bank accounts shall be reconciled, and if feasible, by persons other than those signing checks. The reconciliation shall be signed by the person preparing it, and shall be reviewed and signed by the person reviewing it.

e. AETENURE is not authorized to borrow or lend funds, except for occasional educational loans not to exceed \$500 each to students with operational potential.

f. The leasing of office space shall require the prior approval of SB Division. The purchase and disposal of real estate shall require the prior approval of SB Division and the Office of Logistics.

g. Any contract or commitments, other than for personal services, in excess of \$5,000 per year or in excess of six months shall require the prior approval of SB Division.

h. Travel and subsistence expenses incurred by the owners, officers, directors, employees and any individual retained in a professional or independent contractor capacity on a fee basis, shall be paid on an actual cost basis. Reimbursement for subsistence expenses shall not exceed \$10.00 per day in excess of the WOFIRM authorized per diem rate for the locality. Air transportation less costly than first class shall be used to the extent practicable. Travel expenses incurred by staff agents or contract personnel wholly integrated into the project (but not staff employees) may be reimbursed on the same basis. These expenses, as recorded on AETENURE's quarterly accountings, are equated with project personnel activities and production by the SB Division case officer to evaluate the reasonableness of such expenditures. Operational entertainment expenses

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incurred by any of the above personnel may also be reimbursed on an actual cost basis, in accordance with HHB 30-1, Chapter IX, to the extent that such expenses are reasonable and necessary to the accomplishment of operational objectives. Expenditures authorized in this paragraph shall be reviewed during periodic WOFIRM audits.

i. The requirements of HR 230-9 will apply to the salaries and other benefits of AETENURE employees, and no commitment regarding benefits or insurance coverage will be made to corporate personnel until such commitments have been reviewed and approved by DDP/MPS (CSN 20-41).

j. AETENURE employees who have completed one full year of continuous service participate in a group retirement plan to which the employees and the employer each contribute 6% of the employee's salary. The funds are invested in mutual funds stocks. The retirement plan was approved by the Director of Personnel on 23 July 1964, and by the Chief, DDP/PE on 28 July 1964.

III. Protection of WOFIRM Interest

4. Signed Memoranda of Understanding setting forth the relationship of AETENURE with WOFIRM are not required of the present members of the Board of Directors. WOFIRM has been supporting the organization since 1950, and during this entire period the AETENURE officials have been most cooperative and entirely willing to accept WOFIRM guidance and direction. It is felt that at this late date they would not understand the reasons for formal documentation of the relationship and the effectiveness of the operation would be impaired. It shall be the responsibility of the SB Division to ensure that the Chairman of the Board of Directors always is aware of the authorities and responsibilities imposed upon AETENURE by this Plan, and to provide a Memorandum of Oral Understanding to this effect to the Office of Finance and Office of General Counsel.

5. In the case of stock-issuing instrumentality, all ostensible shareholders of stock shall endorse in blank the

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stock certificates issued in their names. Dual declarations of trust shall be obtained for these stock certificates. In addition, the trustees, officers and directors of an instrumentality shall execute undated letters of resignation which shall be retained by the Agency component responsible for the project. The executed stock certificates, declarations of trust, evidencing Agency interest in instrumentalities will be forwarded promptly to the Proprietary Systems and Accounts Division, Office of Finance, for recording and custody.

IV. Budget

6. A basic budget detailing the estimated income and expenses for each office maintained by the organization shall be drawn up by the principal agent(s) on or before 1 February of each year for the ensuing fiscal year beginning 1 July. Those estimates will be analyzed by the responsible case officer who, if the budget is satisfactory, shall request approval for the expenditure of funds for the fiscal year beginning 1 July and for the succeeding fiscal year through the inclusion of the financial requirements in SB Division's Annual Operational Program. Based on this basic budget, the case officer, in collaboration with the Budget Division, shall then prepare the detailed budget for the upcoming fiscal year, by category of expenditure, for incorporation in the annual formal presentation of the project to the approving authorities.

V. Funding

7. Funds shall be passed to AETENURE and AETERRACE by headquarters via banks, or by any other method approved by the SB Division, Central Cover Staff, and the Office of Finance.

VI. Accounting and Reporting

8. AETENURE shall maintain financial records and accounts of a type consistent with its ostensible character,

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as prescribed or approved by the Office of Finance, and shall submit to the SB Division on a quarterly basis the following financial statements (except the annual statement of fixed assets) within 30 days following the close of each calendar quarter:

(1) Balance Sheet.

(2) Statement of Income and Expense. Disbursements made to AETENURE independent field contacts will be reported under the "research" category and will not be itemized. However, separate accounts will be maintained for these expenses.

(3) Statement of Cash Receipts and Disbursements prepared in a manner to clearly distinguish between funds received from WOFIRM and non-WOFIRM sources, if applicable.

(4) Annual Statement of Fixed Assets. The president of AETENURE, or his designee, shall attach to these financial statements his certification that, to his best knowledge and belief, they accurately reflect the financial status of AETENURE, and that the bank reconciliation has been reviewed through (date) the date of the most recent bank statement.

9. AETERRACE shall submit to AETENURE, within 15 days following the close of each calendar month, a Cash Receipts and Disbursement Statement to include cash on hand at the beginning of the period, income received in a manner to clearly distinguish between funds received from AETENURE and funds received from other sources, expenses by general categories and cash on hand at the end of the period. The principal agent of the overseas group, or his designee, shall attach to these financial statements his certification that, to his best knowledge and belief, they accurately reflect the financial status of AETERRACE activities and the disposition of funds during the reporting period. These reports shall be transmitted by AETENURE to SB Division along with AETENURE's quarterly reporting.

10 The headquarters case officer shall review the financial statements required under paragraphs 8 and 9

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above, and, if in order, attach his certification that the disbursed funds covered thereby were expended for the purposes authorized, and submit the statements to the Division Approving Officer for approval. When approved, the original of each report will be forwarded to the Office of Finance and a copy to the Budget Division within 60 days after the quarterly period.

VII. Writeoff

11. The Office of Finance is authorized to accept the quarterly financial statements submitted by AETENURE, required under paragraph 8 above, when properly certified and approved, for appropriate recording in the account entitled "Investments in Agency-Controlled Activities within Subsidy Projects."

12. The Office of Finance is authorized to accept the quarterly financial statements from the overseas group, required under paragraph 9 above, when properly certified and approved, for appropriate recording in the Memorandum Account.

VIII. Writeoff (Equipment and Supplies)

13. In the event that equipment and supplies are issued by the Office of Logistics to AETENURE, accountability for such items shall be operationally expended at the time of issue and shall be recorded in the AETENURE system of accounts.

IX. Security Policy

14. In the utilization of individuals under the project, any exceptions to the security policy as set forth in CSI 10-5 shall require the prior authorization of the CI Staff or the Office of Security as appropriate. Because neither WOFIRM nor AETENURE can exercise the type of control over AETERRACE that would permit the enforcement of the security policy as set forth in CSIF 10-5, its provisions do not apply to AETERRACE.

X. Audit

15. An audit program shall be developed and implemented

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FOURTH REVISED ADMINISTRATIVE PLAN
FOR SB DIVISION CA PROJECT AERODYNAMIC

Concurrence Sheet

SB DIVISION 5/7/68
DATE

OFFICE OF FINANCE 5/10/68
DATE

OFFICE OF SECURITY 5/14/68
Investigations Support
DATE

CENTRAL COVER STAFF/C/FB 5/27/68
ERICH W. ISENSTEAD
DATE

* OFFICE OF GENERAL COUNSEL 5/31/68
DATE

OFFICE OF LOGISTICS 6-5-68
DATE

** DDP/MPSCA 11 June 1968
DATE

* Subject to deletion of any references to solicitation of funds. (See Para II, 3 b)

** See attached caveat

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